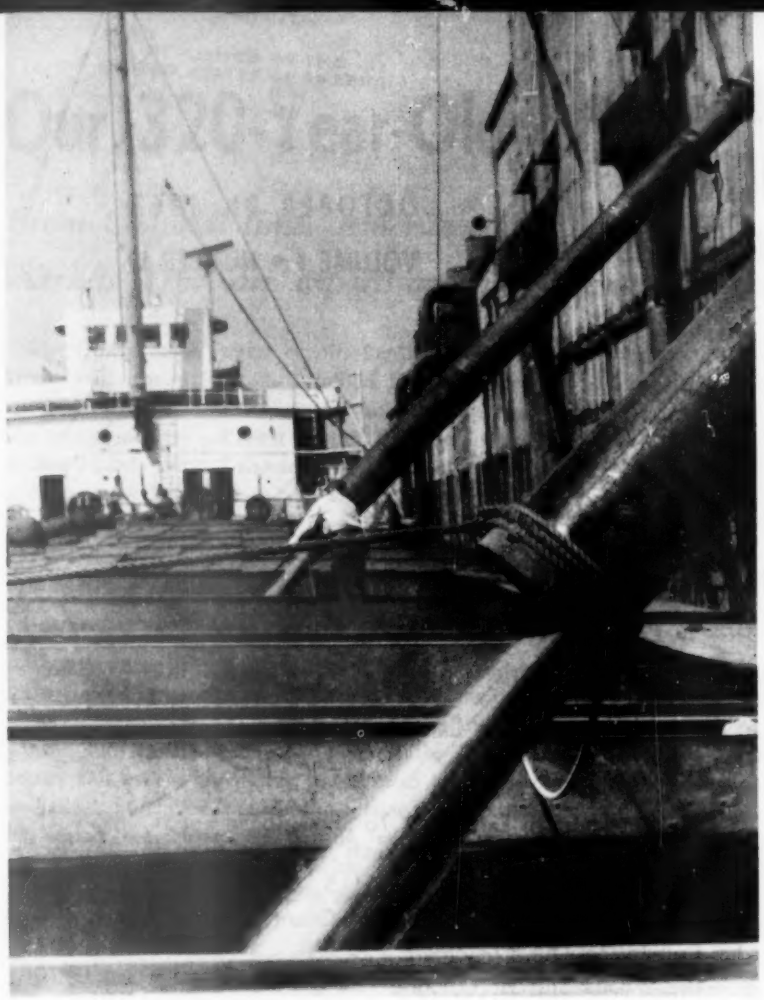

OCTOBER 21, 1963

THE UNIVERSITY OF MICHIGAN
NOV 29 1963
PERIODICAL READING ROOM

OUR 320-YEAR-OLD WHEAT TRADE

HURRICANE DAMAGE IN THE CARIBBEAN

THE SPANISH POULTRY INDUSTRY

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

OCTOBER 21, 1963

VOLUME 1 • NUMBER 42

Grain will be pouring out of U.S. storage elevators into ships and railcars for movement abroad this marketing year in the highest quantity in history: close to a billion bushels.

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DEPOSITED BY THE
UNITED STATES OF AMERICA

Our 320-Year-Old Wheat Trade

From Colonial times American farms have supplied wheat to world markets. This year exports are rapidly moving toward an alltime high.

The United States' wheat exports for the current marketing year may well reach 1 billion bushels—a record never before attained in the 320-year history of the American wheat industry. Closest to this figure are the 718 million bushels shipped abroad in 1961.

Sales to the Soviet Union and East European countries, approved by President Kennedy on October 9, will be only partly responsible for breaking the record. Even before possible shipments of 200 million bushels to these countries were counted in, our wheat exports for 1963-64 were unofficially estimated at around 800 million.

Though introducing a new direction in this year's wheat trade, these shipments will not alter the U.S. position in international markets. Long the world's leading wheat grower, the United States now ranks as the No. 1 exporter, and even without this commitment to sell wheat to Eastern Europe, it would have retained that position. Its nearest competitors are Canada, which is shipping wheat to Communist China and has just agreed to sell 239 million bushels to the USSR, and Australia, which is exporting to both countries.

The early years

The United States' wheat trade dates back to the early 1640's. When the southern colonies were clearing their land to plant rice and tobacco, the northern fields were being prepared for wheat. Some of this wheat was going to Europe, but soon the West Indies became the important market, often buying wheat in the form of flour and bread. Later New Englanders found that with their rocky fields they could not compete in wheat production, and the middle colonies of New York, New Jersey, and Pennsylvania became the "bread" colonies.

Pennsylvania, which based its economy on wheat, was hard pushed when England issued an edict stating that wheat and flour, and also many other commodities, could be exported only to the mother country. But like the other colonies, Pennsylvania disregarded these regulations and continued to ship its wheat where it wanted—not only to other British possessions but to the Dutch, French, and Portuguese West Indies as well. These West Indian colonies had found sugar growing so profitable that they preferred to buy their food crops than to grow them.

It was in Pennsylvania that the first wheat inspection laws were adopted. Many small flour mills had been built, and by 1700 much of the colony's wheat was being exported as bread and flour. The General Assembly adopted regulations in 1699 stipulating that "all Bisket and flower made for transportation shall be well made & honestly & truly pack't." Apparently, standards were not always adhered to for Pennsylvania's trade with the West Indies fell off until a rigid inspection law was passed in 1720.

Exports of wheat and other food products rose substantially after the Revolution. From 1790 until 1807 crop failures and the Napoleonic wars caused food shortages in Europe and a steady demand for American wheat. Then came a period when all food shipments to Europe fell off seriously—partly because of the War of 1812—and it was not until the growing industrialization of Britain in the 1840's that they were resumed in any volume. In 1849 Britain abolished its duties on grain, and that, combined with the famine in Ireland and part of Europe,

Combining wheat on a Nebraska farm

opened the gate again to the European market.

The Civil War—and later

Wheat had a direct effect on the outcome of the Civil War. The South hoped that Britain would recognize the Confederacy in order to obtain cotton. But this hope was soon snuffed out, for Britain was more interested in the wheat grown on American farmlands. Its own crop had failed for 3 years running—1860, 1861, and 1862—and in the other wheat-growing nations of Europe harvests were below normal. During these years our wheat exports rose from 4 million bushels to 37 million, and our flour from 2.6 million barrels to nearly 5 million.

From this time on until the end of the 19th century, wheat rather than cotton was the No. 1 American food export. Railroads pushed across the prairies and into the Great Plains. New land was opened for commercial wheat production, and immigrants poured in from Europe to settle on these lands. Soon large-scale mechanized wheat farming developed and spread westward.

During this last half of the 19th century American wheat production increased from 170 million bushels in 1866 to 655 million in 1900, and in this same period our wheat exports mounted from 13 million bushels to 221 million. After 1900 not only wheat but all U.S. food exports declined as a result of increasing nationalism in Europe, greater competition, and a better balance between production and consumption in the United States.

Two world wars

With World War I the picture changed dramatically. The first effect on agricultural markets was depressing, but within a short time both England and France appealed to the United States for food supplies and credit. Wheat, because of its storability and ease of transport, was in greatest demand. Exports jumped from 146 million bushels in 1913 to 335 million the following year.

This was also a peak year in U.S. wheat production. For the first time the Nation's crop exceeded 1 billion bushels. Also, between 1913 and 1919 the area in food grains, mainly wheat, increased 26 percent.

Yet no sooner had the United States geared itself to greater wheat output than the demand fell off. It was generally believed that after World War I the European nations would continue to buy large quantities of U.S. wheat and other farm crops. The reverse happened. The United States curtailed its loans abroad so that foreign countries had only limited means to pay for food products in the face of American tariffs. At the same time, they boosted their own production and did their buying from nations which would accept industrial goods in payment.

From 1918 onward, our wheat exports were well below the wartime peak, and the worldwide depression beginning in 1929 caused a further decline. There was a slight increase just before World War II, but in 1941 they had reached the lowest point in nearly 70 years.

World War II stimulated the usual wartime demand for food, and with the start of the lend-lease program, larger wheat shipments began moving to Europe. By the end of the war they were close to the World War I record. Our wheat output was now 1,152 million bushels compared with around 715 million in 1935-39.

Wheat exports increased at the end of World War II. Lend-lease had ended but emergency relief programs kept exports high. However, as the economies abroad recovered and foreign grain production increased, the demand for U.S. wheat dropped. At this point, with the United States harvesting record crops and the scales tipped in the direction of surplus, government price support began to assume new importance. (The Commodity Credit Corporation price support program was begun in 1938 but had not been a factor during the war because of the demand for all-out production at favorable prices.) Furthermore, in 1949 the International Wheat Agreement, under which specified quantities of wheat are sold abroad at a fixed range of prices, became effective.

Wheat under P.L. 480

Beginning in 1954, a new stimulus was given wheat exports by the passage of the Agricultural Trade Development and Assistance Act, better known as Public Law 480. This law authorized the United States to make agreements for the sale of farm products for foreign currency, for emergency relief and other aid, and to barter farm surplus for materials required by our government. In 1959, the law was amended to increase dollar sales of surplus farm products to friendly nations through long-term agreements and extension of credit.

Wheat has benefited the most from this law. In 1954 our wheat and flour exports totaled 217 million bushels. The following year, the first under P.L. 480, they amounted to 274 million. And every year since then, these P.L. 480 wheat sales have mounted—176 million bushels in 1955, 361 million in 1959, 482 million in 1962.

For the 9-year period that P.L. 480 has functioned, 2,872 million bushels of wheat and wheat products have moved abroad under its provisions. This represents 63 percent of our total wheat exports during this period, and in value amounts to a little over $5,145 million.

Latest phase

This summer it became apparent that despite a near-record world wheat harvest, supplies were unevenly distributed. Many wheat-importing nations needed to import more, and some that were exporters, such as the USSR, found themselves looking around for wheat to buy. The U.S. wheat industry was able to fill the gap. But whether these sales of wheat to the Soviet Union and Eastern Europe are establishing a new trend or merely relieving a critical situation, is hard to say.

One thing, though, does stand out. Through the long history of the U.S. wheat industry there have been periods when wheat made a tremendous contribution to our economy. This is perhaps another such instance. As President Kennedy cited in his October 9 press conference, wheat sales to the USSR and Eastern Europe at $250 million plus shipping charges received by U.S. carriers would approximate one-sixth of last year's budget deficit.

Spain Strives To Update Poultry Industry

Spain's poultry industry, until recently almost entirely a backyard operation, is developing and changing. Output of both broilers and eggs is rising rapidly. Commercial hatcheries are appearing throughout the country, and broiler processing plants are being established. Baby chicks and eggs are imported for foundation stock. New feed mills have been built, and these are processing increasing quantities of poultry feed each year. The quality of both broilers and eggs is also improving.

Between 1959 and 1962, production of poultry meat more than doubled, increasing from an estimated 52,470 tons to 120,153. The Spanish Livestock Board forecasts nearly 50 percent more, or 176,371 tons, for 1963.

Spain's poultry development has been stimulated by the government, which, in attempting to improve the people's nutrition, is encouraging greater production of milk, meat, poultry, and eggs. One avenue has been through the Servicio de Extensión Agraria, which promotes local poultry cooperatives. These buy feed and baby chicks and sell the eggs and broilers for members. Extension agents also give technical advice on poultry production to co-op members.

Remaining to plague the Spanish poultry industry are problems of disease control and of efficiency in both production and distribution. However, progress is being made in solving them.

Income, prices, and nutrition

As with Western Europe in general, improved incomes in Spain have spurred poultry and egg consumption. From 1950 to 1958, per capita Spanish income rose from U.S. $85 to $255, and by 1962 it had increased to $318. Between 1958 and 1962, poultry meat consumption per capita, reported from commercial sources, more than doubled to around 8 pounds per person.

Consumption of shell eggs is also rising—13.7 pounds per person in 1960-61 compared with 10.4 pounds in 1952-53. This figure, however, is the lowest in Western Europe except for Portugal, and about one-third that of the United States.

Prices have fallen as production has risen. The retail price of eggs declined between 1958 and 1962, from an average of 55¢ per dozen to 48¢. From August 1962 to

Below, pullets at modern poultry farm near Madrid. Right, incubator room with capacity for 1 million eggs every 21 days. Right below, another big poultry plant in Valencia area.

May 1963, prices of broilers (New York dressed fresh) fell from 49¢ per pound to 46¢ per pound in the Madrid market. Those of ready-to-cook frozen poultry fell from 58.5¢ per pound to 51.5¢. Cost of broilers to the consumer is expected to decline still further as production increases and distribution improves.

Production and processing

There are now over 200 hatcheries in Spain, with total estimated annual capacity of over 150 million eggs. Hatcheries are located in all areas of Spain, with the heaviest concentration in the provinces of Tarragona, Valencia, Madrid, Barcelona, Seville, and Valladolid.

In 1961 around 1,363,000 baby chicks were imported into Spain. Of this number 585,000 were Leghorn and 584,000 were White Rock. During the same year 549,000 hatching eggs were imported. Most of the baby chicks and hatching eggs came from the United States.

Eight broiler processing plants now exist, and others are being established. Six of the plants have a capacity of 1200 birds per hour; two, of 600 birds. Most managements have plans for increasing capacity, in one case to 12,000 birds per hour. All but two of the plants have freezing facilities, or will install them.

To realize fully how rapidly the poultry industry is expanding in Spain, one needs to visit some of the modern plants installed in recent years. One such large plant is owned jointly by two American firms and one Spanish company. The technical manager comes from the United States as well, having been in Spain for less than 2 years. The company's plans have expanded rapidly, and further expansion is already underway. A new unit will be completed in Arganda del Rey this fall with hatchery capacity of approximately 1.5 million eggs set at once. This company plans two new broiler hatcheries, one in Seville and the other in Valladolid, both to be in production by the end of 1963. By this time the total capacity of this one company will be over 2 million eggs set. Sales, for the first fiscal year in business, will top 2 million Leghorn pullets, 2 million Leghorn cockerels, one-half million meat-type parent stock breeders, and 2½ million commercial broiler chicks.

The owner of the poultry installation at Alcira near Valencia described plans to produce 50,000 birds daily soon. Now under construction is an automatic slaughterhouse with a capacity of 3,600 birds per hour.

Feed industry

Also undergoing a transformation is Spain's related mixed feed industry. This has grown rapidly, from 67 feed mills in 1952 to 444 in 1961. However, only 335 are now in active operation. Annual production of feed was 1,653,476 tons in 1962, with almost 70 percent of output intended for poultry production.

Spain continues to import large quantities of grain for the poultry industry. Imports of corn for the 1962-63 season are estimated at over 600,000 tons, with 90 percent coming from the United States. Protein supplements in the form of soy meal are also imported, almost entirely from the United States. These will probably continue to be purchased from outside the country, either as soy meal or in the form of soybeans for processing.

As in the case of poultry processing, American capital has figured in the expansion. An American feed manufacturer has recently formed a company in cooperation with a Spanish firm, and will soon have new feed mills in Barcelona and Madrid.

Import-export situation

Last year, the country became a net exporter of eggs for the first time since records have been kept. By contrast, as recently as 1957, egg imports numbered 14 million dozen. Spain now permits imports of shell eggs only when local supplies seem inadequate, by means of issuing import licenses. In the same way, the government has granted import licenses for foreign poultly only grudgingly and infrequently because it deems domestic supplies adequate.

Today there is great enthusiasm in Spain for building a poultry industry. These enthusiasts envision the day when they can ship poultry into the present Common Market, for admission to which the country has already applied.

Australian Pricing Plan Lowers Wheat Guarantees, Both Export and Domestic

Under Australia's new Wheat Stabilization Scheme covering the 5 years commencing with the 1963-64 crop, the price guarantee on export wheat has been extended from 100 million bushels to 150 million, in view of the fact that more of the crop is now exported. The guaranteed price for 1963-64, covering this 150 million bushels for export and all wheat consumed domestically, has been set at $1.61 per bushel (in bulk, f.o.r. ports)—a reduction of 15.9 cents.

The new price, like previous ones, was based on the assessed cost of production, calculated each year by the Bureau of Agricultural Economics. The reduction came from the Bureau's use of a larger yield figure—17 bushels per acre instead of 15.5—in its calculations this year. Recent yields have averaged 19 to 20 bushels.

The price of wheat for home consumption (to be fixed by State legislation) will be based on the guarantee plus a loading cost to cover transportation to Tasmania, and will probably be about $1.63.

Principal result to Australia may be a significant reduction in Treasury cost for the deficiency payment covering differences between export prices and producer prices. This sum, a Treasury responsibility since the Wheat Stabilization Fund was exhausted in 1961, has been budgeted at about $26.1 million for the 1962-63 crop. By contrast, with anticipated payments for the 1963-64 crop ranging between 5.6 cents and 8.4 cents per bushel over prospective export prices, government cost would be only $8.4 million to $12.5 million.

Reduced domestic prices are not expected to cause material increases in Australian wheat use.

Hurricanes Wreak Havoc in Caribbean

—with severe damage to both food and export crops

During the 2-week period of September 25-October 8, hurricanes Edith and Flora brought heavy damage to the Caribbean Islands; Flora was reported as the most destructive storm in the area's history. The double blow did most harm in the Windward Islands, Tobago, Haiti, and eastern Cuba.

Result to agriculture will be severe shortages in local food supplies and reduced export sales of sugar, bananas, coconuts, and cocoa, on which the area is heavily dependent.

How the hurricanes moved

Hurricane Edith formed east of Barbados on September 24. Moving west-northwest over Martinique, she left 5 to 10 inches of rain, with winds of 115 miles per hour. Her effect was also felt on the neighboring islands of Dominica and St. Lucia. But on September 26 she turned abruptly north, bringing heavy rain and winds a southern Puerto Rico and the eastern Dominican Republic. She died out over the Bahamas on September 28.

Two days later Flora was born, east of Trinidad. As she hurried across Tobago, she dumped 10 inches of rain, and winds of 100 miles per hour were reported. Northeast Trinidad also felt her passage. Flora smashed ashore late October 3 in southwest Haiti; swept through the Windward Passage, leaving torrential rains in the Jamaican mountains; landed in northeast Cuba October 4; drifted slowly and destructively across to the southwest coast; then, on October 7, turned back again across the hard-hit island, pummeling it for another day. Flora's career, after a glancing blow at Bermuda, ended the next weekend off Nova Scotia.

What they did to crops

Preliminary estimates indicate that the storms destroyed 90 percent of the banana trees on the islands of *Martinique, St. Lucia,* and *Dominica,* along with about one-fourth of this major export crop not yet harvested. Since 10 to 12 months are required for banana trees to begin producing, the next year's crop from these islands will be only a small fraction of normal output. Damage to sugarcane, another major crop, is not expected to be severe; but on Dominica the crop of limes suffered severely—and lime juice is a principal export.

All three islands normally import the major part of their food requirements. However, they are largely self-sufficient in the production of root crops. With some damage to these crops presumed from flooding and erosion, an increase in food imports is to be expected.

The principal export crop of *Tobago* is cocoa, harvested mainly from October to December with a smaller harvest in April. Reports indicate that this year's main cocoa crop is a total loss. Coconuts, another important export, are harvested throughout the year, and both ripe and immature coconuts were blown from the trees. Thus, a substantial reduction in coconut production and exports is certain during the next year. Tobago produces only small quantities of food crops, so that little effect is expected on its food supplies and imports.

Reports from *Trinidad* and the *Dominican Republic* have indicated only slight crop damage, with no serious effects on either exports or food supply. In *Jamaica,* however, flash floods were reported in the north—an important producing area for coconuts and coffee and for bananas, a major export crop. The banana crop in the area was said to have been 50 percent destroyed by wind and the coffee crop 10 percent. Early reports indicated 25-percent destruction of the yam crop in this section, but lack of damage reports on other food crops probably means relatively little injury. Thus no major decline is foreseen in local food supplies.

In *Haiti,* apparently all crops suffered heavy damage. Early unconfirmed reports estimated at least 70 percent destruction—75 percent for the banana, potato, coffee, and rice crops. In some areas many dead cattle were reported, but another report indicated that livestock—including pigs, goats, and chickens—were apparently surviving. Some sugarcane plantings appeared washed out. The effect on sugar, Haiti's principal agricultural export, may be heavy. And, since Haiti depends largely on local food production, the food shortage may become serious if crop damage is this extensive. Substantial food imports may be required to avoid famine conditions.

Cuba's agricultural expectations were apparently dealt a serious blow. About half of its sugarcane is produced in the battered eastern section of the country. Preliminary and fragmentary reports indicate a total reduction in Cuba's 1964 sugar production of at least 10 percent, with some effects likely to continue to the 1965 crop.

Rice is normally harvested in Cuba from August to December, and one of the country's main rice areas lies along the path of the hurricane. While unharvested rice was probably a total loss, it is not known what percentage of the crop this represents. The main corn crop, normally harvested in January and February, may be largely washed out in this section, where about half is produced. Damage to the sweetpotato crop is reported light, but tree-grown fruits are reported heavily damaged, as are coffee, bananas, and cotton. The anticipation is that large additional food imports will be needed to avoid further decreases in consumption.

(Continued on page 16)

Prepared by Donald E. Turner, Agnes I. G. Sanderson, and Woodrow A. Schlegel, of the Western Hemisphere Branch, Regional Analysis Division, Economic Research Service.

U.S. Amsterdam Exhibition To Show Space Food and Schirra's Spacecraft

The vital importance of food to man — whatever his environment — will be dramatized in a "Food in Space" exhibit which will be one of the features of the U.S. Food and Agriculture Exhibition in Amsterdam, the Netherlands, Nov. 7-24, the U.S. Department of Agriculture announced recently.

The exhibit—presented in cooperation with the National Aeronautics and Space Administration—will be developed around the actual spacecraft, Sigma 7, used by Commander Walter M. Schirra, Jr., in his 6-orbit space flight in October 1962.

Along with the spacecraft will be shown the food and liquids consumed during space flights and a reproduction of the low-residue breakfast eaten by an astronaut before take-off. A quarter-scale mock-up of the two-man Gemini spacecraft will also be displayed.

The exhibit will include continuous projection of a 6-minute motion picture entitled "Menu for Spaceflight," which contains actual scenes of astronauts eating in a weightless environment and points out the importance of a food supply that is lightweight, nutritious and palatable.

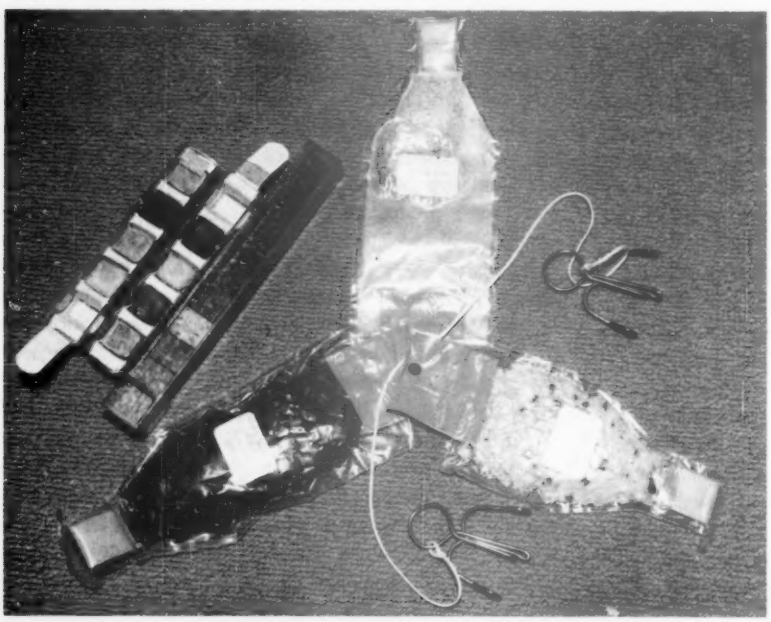
The film will demonstrate, for example, the heavy reliance of the astronauts on freeze-dried foods, which may weigh as little as one-fifth of their original weight and are easily reconstituted with water into tasty dishes without loss of caloric content. Because of the absence of gravity, the dehydrated food is pushed or pressed out of its container directly into the mouth. When all the food desired has been eaten, a preservative tablet is placed in the container and the food is stored for later use.

Another special technique to be shown is the preparation of certain foods such as sandwiches and desserts in bite-size pieces with an edible coating. This is done to avoid crumbs which could float around the cabin and damage equipment.

The Department believes that the presentation of these and other space feeding techniques will help demonstrate to the West European audience the variety, versatility and nutritive quality of U.S. processed foods, and the competence of the U.S. food industry. It will be the first time the NASA "Food-in-Space" exhibit has been shown outside the United States.

Other features of the Amsterdam Exhibition will include a fully stocked ultra-modern food market; demonstration areas for all major U.S. agricultural export commodities; a special motion picture on agricultural trade; and an exhibit on the wholesomeness and quality of U.S. foods. Running concurrently with the Exhibition, November 11-15, will be a European-American Symposium on Food and Agricultural Trade.

"Space foods" pictured here are ready-to-eat bars (left) and (in big plastic bags) shrimp, apple juice, and potato salad that have to be combined with water.



Japanese Feed Industry Likes U.S. Feather Meal

Feather meal—a highly concentrated source of protein—has caught on with the Japanese feed industry. Rising sales are an outgrowth of the U.S. Feed Grain Council's effort to push good, balanced animal rations in Japan.

Last year, U.S. exports of feather meal to Japan hit 7,437 metric tons, worth approximately $828,000 f.o.b. West Coast; smaller amounts also went from North Korea and Peru. Previously, Japan took very little.

Feather meal is produced by cooking feathers under peak pressure to make their protein digestible. The meal's high concentration—87.4 percent protein—makes it economical for the long Pacific haul and adapts it well for use as an additive to the high-energy feed rations coming into favor with the Japanese. The rapid expansion of Japan's livestock and feed industries means good prospects for even larger sales of feather meal.

Cultivating Our Customers

By RICHARD K. BAUM, *Executive Vice President*
Western Wheat Associates, U.S.A., Inc.

Every farmer knows that cultivation is necessary to produce a crop. Cultivation is also a necessary step in obtaining markets for the crop.

Many techniques are being used to expand markets for U.S. agricultural products. For wheat, these include such things as nutrition demonstrations, school lunch programs, technical training, and product promotion. One of the most effective tools in cultivating markets, however, is to bring representatives of the foreign customer to where the wheat is grown.

Wheat Associates carefully selects these trade teams from key government and industry personnel to enhance the market development program in the particular country involved. While in the United States, the visitors follow an individually tailored program.

Tours may include inspection of dock and terminal facilities, meetings with exporters, a look at U.S. grain grading and inspection services, and at the harvesting, handling, and storage of grain—from farm to the export vessel. They usually include visits to a large grain exchange like the Chicago, or Kansas City, Board of Trade, to flour mills, and to bakeries, large and small. There are conferences with U.S. industry and government leaders. For a change of pace, there are visits to supermarkets and dinners in American homes.

As these trips involve considerable expense, plus a tremendous amount of stateside planning to arrange the most effective itineraries for the visitors, the question could rightfully be raised about whether or not this kind of market development is "paying off."

It is our belief that it does.

People-to-people contact is one of the most effective ways to develop international understanding and mutual confidence. In many cases, the trade team member may be making his first trip to the United States. The experience and knowledge gained while here often gives him added prestige and authority upon his return. For our part, we want to show the foreign customer that the United States can furnish more classes of wheat of high quality on a competitive basis than any other exporting nation.

This is the obvious objective. Possibly a more effective accomplishment is the development of relationships that lead to sound business transactions.

Foreign trade teams from Japan during the past 2 or 3 years have been a key factor, for instance, in the increased sales of U.S. wheat to that country. Japan has been the United States' No. 1 cash wheat buyer since 1960. During 1962-63, the United States was the only major grain supplier to increase its sales of wheat and flour to this market.

During 1963, Western Wheat Associates will bring five major trade teams and three individuals to the United States. The last is scheduled for this month—that of four high-ranking Japanese Government officials. The countries represented this year have been Japan, Pakistan, India, and the Philippines. The Philippines is a dollar market with seven new flour mills. Pakistan and India now buy wheat through P.L. 480, but are interested in becoming dollar markets in the future.

The visits of these teams this year have allowed U.S. wheat exporters to initiate shipping programs to ensure that each country gets the wheat most suited to its needs. In this way, the many different qualities of U.S. wheat will be marketed to best advantage.

We know proper and timely cultivation pays off during the harvesting of a crop. Similarly, we are convinced that proper cultivation of our foreign customers will pay off in higher sales.

U.S. Seed Industry Begins Eight-Country Promotion

Participation in the London Trade Center Show, October 21-25, and in the U.S. Food and Agricultural Exhibition at Amsterdam in November will be the first activities under a new eight-country market development program of the American Seed Trade Association, in cooperation with FAS.

During this week's vegetable and flower seed symposium at the Trade Center — the largest overseas trade event ever sponsored by ASTA—U.S. and U.K. seed processors, growers, and traders are discussing problems of mutual concern. Topics include the changing needs of the vegetable market, seed trade regulations, and improved seed varieties. On display are samples of seeds and panels of photographs depicting how new seed varieties produce vegetables better adapted to modern canning, freezing, and dehydrating techniques.

A U.S. seed team — members of ASTA and the USDA—after participating in the symposium will inspect large seed firms and research stations to evaluate the market potential for U.S. seed sales to Britain.

At the Amsterdam Exhibition, November 7-24, the U.S. Garden Seed Industry will exhibit under the theme of "Seed for the World." The exhibit will point up how high quality U.S. seed is produced and distributed the world over to grow food, feed, and fiber. The exhibit will stress, too, that favorable weather conditions in the United States guarantee a dependable supply of high quality seed.

The Netherlands ranks fifth as a world market for U.S. vegetable seeds and first for flower seeds. The United Kingdom is second largest buyer of U.S. flower seeds and sixth of vegetable seeds.

Under the new 3-year agreement, ASTA will also conduct market research and sales promotion in Chile, Venezuela, Argentina, France, West Germany, and Japan, as well as in the United Kingdom and the Netherlands. It will sponsor trade teams to and from the U.S. and set up cooperative sampling and trial programs.

U.S. Foods Star at Cologne Fair

Some 800 U.S. food products were displayed last month at the ANUGA Fair in Cologne, Germany—the largest international food fair in Europe devoted exclusively to consumer foods. Around 30,000 people attended daily.

Competing with some 40 countries, including several from the Soviet Bloc, the U.S. food exhibit was geared to selling. For the first few days after the Fair opened, only businessmen—principally the buyers and sellers of food—were admitted. This permitted the American food industry to bid strongly for Europe's trade.

A big hit at the show was the poultry kitchen where fried chicken—or a turkey sandwich—served with rice and cranberry sauce, could be bought for a mark, or less than a quarter in terms of U.S. money.

Special booths served ice cream, fruit and fruit juices, raisin bread, chocolate drinks and milk made from nonfat dry milk, and honey. Other attention-getters were the rice and soybean demonstrations and the kitchen where America's premixed, frozen, and dehydrated foods were quickly prepared while visitors watched.

Among the U.S. industry groups participating in the ANUGA Fair were: Grocery Manufacturers of America, Institute of American Poultry Industries, Dairy Society International, the Soybean Council of America, the U.S. Rice Export Development Association, the Millers National Association, the Honey Dealers and Packers Association, and the U.S. fruit industry. All of them had experts on hand for consultation with importers.

Trade contacts

Reception for German importers

U.S. honey booth

Breakfast foods at Groceteria

U.S. poultry snack bar

German Exports of Wheat Flour to USSR

It has been confirmed that West Germany will export at least 300,000 metric tons of light wheat flour to Russia. As a result of this large export commitment, the demand for domestic wheat has increased considerably and prices have moved from the intervention level toward the target prices, sometimes reaching and occasionally even surpassing it.

It has been reported that the USSR will buy 40,000 metric tons of wheat flour from Italy and 80,000 tons from France.

Another Poor Bean Crop Indicated for Europe

Four of the five European countries that to date have reported their 1963 bean production estimate an outturn lower than their poor crops of last year. In aggregate these countries—France, Greece, Spain, and Yugoslavia—produced 370,000 metric tons this year compared with 420,000 metric tons in 1963, 530,000 in 1961, and the 1955-59 average of 450,000. This is 12 percent below last year's crop, 30 percent below 1961's, and 18 percent below the average.

The poor crops were caused by excessive rain in Spain, rain and cold in France, delayed seeding in Greece, and drought in both Greece and Yugoslavia. There are strong unofficial indications that this drought has extended into the bean growing areas of the Balkans. If so, few beans will be exported from that area to Western Europe this winter.

The German crop, always very small, is up 100 tons this year. Japan reports its crop is larger than in either of the last 2 seasons but still below the 1955-59 average. There is no 1963 estimate available from Mexico, but the crop is expected to reach an alltime record.

DRY BEANS: PRODUCTION IN SELECTED COUNTRIES

Country	Average	Annual		
	1955-59	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
France	107,000	80,200	65,000	50,000
Germany	3,000	3,270	3,900	4,000
Greece	46,000	64,261	49,972	49,651
Japan	155,000	129,800	100,700	141,100
Lebanon	500	820	1,000	1,400
Mexico	430,000	620,000	520,000	Record
Spain	111,000	142,818	126,000	128,000
Yugoslavia	184,000	240,000	178,000	141,000

USSR Potato Crop About Same As Last Year's

Indications are that the 1963 portato harvest is about equal to last year's short crop. It was only 68.8 million tons; supplies were erratic and quality poor. Larger harvests in 1960 and 1961 totaled 84.4 million tons and 84.3 million, respectively. Harvest losses may be lower this season, but quality of the potatoes has not improved. However, there are no indications that the USSR will import potatoes.

EEC Sets Quotas for Turkish Tobacco Exports

Under the Association Agreement between Turkey and the European Economic Community (EEC), signed September 12, quotas have been established for exports of Turkish tobacco to member countries. The quotas, totaling 27.5 million pounds, are 2.8 million for Belgium-Luxembourg; 1.3 million, the Netherlands; 5.6 million, France; 14.5 million, West Germany; and 3.3 million, Italy.

The Agreement contains provisions which will enable the EEC to increase the quotas after 2 years. The Community further agreed to preserve the outlets for Turkish exports even after the 12-year transitional stage and to give Turkish tobacco the same customs duty afforded Greek tobacco.

Venezuela's Leaf Tobacco Exports at Record

Venezuela's exports of unmanufactured tobacco during 1962 totaled a record 668,000 pounds—substantially above the 28,000 exported in 1961.

Exports to West Germany totaled 544,000 pounds, compared with 28,000 pounds in 1961. Norway took 87,000 pounds, Belgium 21,000, the Netherlands 8,000, and the United States 7,000.

Average export prices per pound of leaf tobacco shipped to major destinations in 1962, in terms of U.S. cents, were as follows: West Germany, 52.0; Norway, 41.1; Belgium, 25.0; the Netherlands, 56.3; and the United States, 21.1.

Venezuela's imports of unmanufactured tobacco last year totaled 1.2 million pounds, compared with 1.8 million in 1961 and the 1960 high of 2.7 million. Reduced takings from the United States accounted for most of the decline.

Imports of U.S. leaf tobacco last year amounted to 966,000 pounds, compared with 1,304,000 in 1961 and 2,303,000 in 1960. However, imports from Turkey, which show an upward trend, were 263,000 pounds, compared with 242,000 in 1961, and 187,000 in 1960. Imports from Cuba totaled 15,000 pounds, compared with 6,000 in 1961 and 2,000 in 1960.

U.S. Tobacco Exports Larger in August

U.S. exports of unmanufactured tobacco in August 1963 totaled 40 million pounds (export weight), compared with 34.9 million in August 1962.

Exports of flue-cured, burley, and dark-fired Kentucky-Tennessee were larger than those for August 1962. Maryland exports, however, were only 314,000 pounds, compared with 1.9 million in August 1962.

For the first 8 months of 1963, total U.S. exports of unmanufactured tobacco were 249.1 million pounds—up

3.6 percent from the 240.3 million exported in January-August 1962. Flue-cured exports were down 0.4 percent from a year earlier, but burley rose 23.6 percent and dark-fired Kentucky-Tennessee, 24.7 percent. Gains were also recorded for Virginia fire-cured, Black Fat, and cigar binder. Total value of all tobacco exports in January-August 1963 was $190.3 million, compared with $183.4 million for the same period of 1962.

U.S. exports of tobacco products in August 1963 were valued at $12.5 million compared with $9.9 million in August 1962. There were gains in all kinds of products, except smoking tobacco in packages. For January-August 1963, the total value of all tobacco product exports was $79.9 million, compared with $77.5 million in the same period of 1962.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, AUGUST 1963, WITH COMPARISONS

(Export weight)

Kind	August		January-August		Change from 1962
	1962	1963	1962	1963	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	27,378	31,218	188,933	188,178	— 0.4
Burley	2,173	4,645	23,555	29,107	+23.6
Dark-fired Ky.-Tenn.	905	1,210	7,557	9,424	+24.7
Va. fire-cured [1]	398	250	3,035	3,137	+ 3.4
Maryland	1,933	314	6,372	6,327	— .7
Green River	76	32	623	498	—20.1
One Sucker	24	19	213	157	—26.3
Black Fat, etc.	339	338	2,439	2,913	+19.4
Cigar wrapper	421	258	3,474	3,057	—12.0
Cigar binder	116	86	418	647	+54.8
Cigar filler	——	20	2	189	——
Other	1,169	1,643	3,717	5,472	+47.2
Total	34,932	40,033	240,338	249,106	+ 3.6
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	27.9	32.3	183.4	190.3	+ 3.8

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, AUGUST 1963, WITH COMPARISONS

Product	August		January-August		Change from 1962
	1962	1963	1962	1963	
Cigars and cheroots *1,000 pieces*	1,530	4,076	13,317	22,385	+68.1
Cigarettes *Million pieces*	2,062	2,448	16,069	15,818	— 1.6
Chewing and snuff *1,000 pounds*	19	52	429	381	—11.2
Smoking tobacco in pkgs. *1,000 pounds*	107	87	577	561	— 2.8
Smoking tobacco in bulk *1,000 pounds*	541	967	4,801	6,968	+45.1
Total declared value *Million dollars*	9.9	12.5	77.5	79.9	+ 3.1

Bureau of the Census.

Argentina's Cigarette Output Up Slightly

Argentina's output of cigarettes during 1962 totaled 23.4 billion pieces—up 2.4 percent from the 22.9 billion produced in 1961 but still 4.3 percent below the 1958 high of 24.4 billion.

The continued rise in the production of dark-type cigarettes again offset the downward trend in the light type. Output of dark-type cigarettes rose from 11.7 billion pieces in 1961 to 12.6 billion in 1962 and accounted for 54.0 percent of total production. Production of the light type totaled 10.8 billion pieces, compared with 11.2 billion produced during the previous year.

U.S. Exports of Soybeans, Edible Oils, Meals

U.S. exports of soybeans and oilcakes and meals in August dipped below those for July; however, cumulative exports in the October-August period of the 1962-63 marketing year significantly exceeded the record levels for the entire 1961-62 marketing year. U.S. exports of edible oils in August increased, but October-August exports continued to be somewhat below those of the comparable period last year.

U.S. *soybean* exports in August declined from those in July by 2.5 million bushels to 11.8 million while the cumulative exports exceeded those of the corresponding 11-month period of 1961-62 by nearly one-fifth. Major destinations for August shipments and their respective percentages of total U.S. soybean exports were Japan 26; Canada 16; Denmark and West Germany about 14 each; Italy 11; and the Netherlands 10. Significant but undetermined quantities of exports to Canada were transshipped to Europe.

August *edible oil* shipments (soybean and cottonseed) were up from July's by nearly 14 percent to 111.8 million pounds. Cumulative shipments of edible oils through August of the current marketing year totaled over 1.4 billion pounds—about 14 percent below those for the comparable period of last year. Foreign donations under Title III of P.L. 480 during the 11-month period this year accounted for about 7 percent of the total compared with 15 percent for the same period a year ago.

U.S. *soybean oil* exports in August, at 87.9 million pounds, were 8 percent above the previous month's. The major destinations, with percentages of the total were Pakistan 58; Turkey 12; Israel 8; Colombia 4; and Morocco, Egypt, and Hong Kong about 2 each. Cumulative soybean oil shipments through August were down by one-tenth from the corresponding 11-month period in 1961-62.

U.S. *cottonseed oil* exports in August, at 23.9 million pounds, were up by more than two-fifths from the previous month. Major destinations with their percentages of total exports were Turkey 60; Canada 13; Morocco 9; South Vietnam 6; and Sweden 5. In the cumulative period through August, shipments lagged behind those of last year by more than one-fifth.

August *cake and meal* exports at 103,900 tons were down nearly 15 percent from July. A decline in shipments of soybean meal was accompanied by significant gains in shipments of linseed meal. Soybean meal exports, comprising about 88 percent of the total U.S. monthly shipments of cakes and meals, moved principally to Canada, which took 23 percent (largely transshipped to Europe); Italy, 18 percent; and Spain and the Nether-

lands, 14 percent each. Also, France and West Germany took about 10 percent each.

U.S. exports of cakes and meals in the 11-month period, at 1.5 million tons now stand 47 percent above those for the comparable period of last year and exceed total exports for the 1961-62 marketing year by more than one-third.

U.S. EXPORTS OF SOYBEANS, EDIBLE OIL, AND OILSEED CAKES AND MEALS, AUGUST 1963

Item	Unit	August		October-August	
		1962 [1]	1963 [1]	1961-62 [1]	1962-63 [1]
Soybeans	Mil. bu.	8.4	11.8	145.9	173.2
Oil Equiv.	Mil. lb.	92.6	129.2	1,601.6	1,901.4
Meal Equiv.	1,000 tons	198.2	276.5	3,427.8	4,070.0
Edible oils:					
Soybean:					
Commercial [2]	Mil. lb.	137.5	87.0	1,013.2	[3] 984.8
Foreign donations [4]	do.	12.1	.9	168.0	69.0
Cottonseed:					
Commercial [2]	do.	15.7	23.7	384.2	327.7
Foreign donations [4]	do.	5.1	.2	76.7	28.7
Total oils	do.	170.4	111.8	1,642.1	1,410.2
Cakes and meals:					
Soybean	1,000 tons	87.1	91.3	1,010.8	1,386.3
Cottonseed	do.	6.2	1.8	9.2	76.3
Linseed	do.	1.0	8.7	12.7	46.0
Total Cakes and Meals [5]	do.	94.3	103.9	1,033.0	1,520.1

[1] Preliminary. [2] Includes Title I, II, and IV, P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Includes 32,855,509 pounds exported to Spain in January, but returned without being discharged. [4] Title III, P.L. 480. [5] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from records of the Bureau of the Census and USDA.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia in January-May 1963, at 47,824 long tons, were up by more than one-third from the 34,975-ton volume exported in the corresponding period of 1962.

Exports of palm oil in January-May amounted to 45,400 short tons, against 43,482 in the comparable period of 1962. Registered exports of palm kernels were 14,694 tons in contrast to the 13,003 exported in the 1962 period.

South Africa's Peanut, Sunflowerseed Output

According to the latest revised estimate, the Republic of South Africa's 1962-63 peanut crop is placed at a record 195,000 short tons, shelled basis. This amount, representing an increase of 45 percent from last year, is slightly above the previous record crop in 1960-61 and reflects both expanded acreage and increased yields.

The Republic's peanut crop is harvested principally between March and May. Marketing of the crop starts in July and sales usually hit a peak in August and September, although small quantities may continue to be held and sold throughout the crop year. Significant quantities of both peanuts and peanut oil are exported.

The revised estimate of the Republic's sunflowerseed production for the 1962-63 crop year is 106,100 tons compared with a 1961-62's revised estimate of 107,780 tons. (*See Foreign Agriculture,* July 1, 1963.) Despite reduced yields, the decline from last year was only slight, owing to an expansion in planted area. The bulk of the sunflowerseed crop is harvested in April. Exports comprise roughly one-fifth of the crop.

REPUBLIC OF SOUTH AFRICA: PEANUT AND SUNFLOWERSEED AREA, YIELDS AND PRODUCTION 1958-62

Crop year beginning May 1	Planted area	Yield [1]	Production [2]
	1,000 acres	*Pounds per acre*	*1,000 short tons*
Peanuts (Shelled basis):			
1958-59	634.8	436	138.4
1959-60	526.9	577	151.9
1960-61	732.1	528	193.1
1961-62	683.6	393	134.4
1962-63	740.6	527	195.0
Sunflowerseed:			
1958-59	840.4	460	110.4
1959-60	438.1	457	100.0
1960-61	482.5	513	123.7
1961-62	444.4	485	107.8
1962-63	476.2	446	106.1

[1] Calculated from the data here presented. [2] Includes estimates of annual "farm retentions" which for peanuts is 5,000 tons and for sunflowerseed is 1,100 tons.

Canadian Oilseed Crops Up Sharply

Canada's 1963 oilseed production is up sharply from last year, on the basis of indications on September 15, according to the Dominion Bureau of Statistics. The overall expansion was due to increased acreage and better-than-average yields per acre resulting from one of the most favorable seasons for field crops in Canada's history.

OILSEEDS: CANADA, ACREAGE, YIELD PER ACRE, AND PRODUCTION, AVERAGE 1955-59, ANNUAL 1961-63

Year	Flaxseed	Rapeseed	Soybeans	Sunflowerseed	Mustard seed
	ACREAGE				
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*1,000 acres*
Average 1955-59	2,593	389	245	36	95
1961	2,086	710	212	34	121
1962	1,445	371	221	23	121
1963	1,685	483	228	38	N.A.
	YIELD PER ACRE				
	Bushels	*Pounds*	*Bushels*	*Pounds*	*Pounds*
Average 1955-59	8.7	708	25.3	545	785
1961	6.9	790	31.3	711	310
1962	11.1	789	29.9	755	602
1963 [1]	11.7	929	26.5	860	N.A.
	PRODUCTION				
	1,000 bushels	*1,000 pounds*	*1,000 bushels*	*1,000 pounds*	*1,000 pounds*
Average 1955-59	22,544	275,404	6,187	19,477	74,701
1961	14,318	561,000	6,631	24,107	37,500
1962	16,042	293,000	6,608	17,360	72,900
1963 [1]	19,778	449,000	6,042	32,688	N.A.

[1] As indicated on the basis of conditions on or about September 15.

Dominion Bureau of Statistics, Ottawa.

Flaxseed production, at 19.8 million bushels, is almost one-fourth above last year's outturn but 2.8 million bushels less than the 1955-59 average. Acreage was 17 percent above last year's, and average yields, 5 percent.

Estimated at 449.0 million pounds, *rapeseed* production is 50 percent larger than the reduced output of 1962 and 60 percent above the 1955-59 average. Acreage increased by almost one-third and average yields by almost one-fifth.

The 1963 *sunflowerseed* crop is placed at 32.7 million pounds, almost double last year's crop and two-thirds above the 1955-59 average. Sunflower acreage was up by two-thirds from last year and yields by 14 percent.

In contrast to these increases is the 9-percent decline from 1962 in *soybean* production to 6.0 million bushels. While acreage rose slightly, average per-acre yields declined by over 10 percent.

Indonesian Copra Trade

The Indonesian Government, under its policy of economic confrontation of the newly established state of Malayasia broke off trade with Singapore-Penang on September 21. This cessation of legal trade with Malayasia is likely to result in a decline in registered copra shipments. Singapore-Penang had been an outlet for about 45 percent of Indonesia's registered copra shipments in 1961 and about 40 percent in 1962 (*Foreign Agriculture*, July 1, 1963).

To offset the loss of this market, Indonesia will probably have to depend upon increased takings (and shipping) by the Bloc countries, Japan, and possible Western Europe. Until new markets are established and shipping made available, it is likely that the level of registered copra shipments will remain low and that copra may accumulate at points of origin or be increasingly consumed domestically on Java, which is chronically short of copra for crushing.

Undeclared copra shipments from Indonesia, however, are expected to increase sharply, as a result of the cessation of legal trade. The countries comprising Malayasia have been the recipients of the greater part of the unregistered shipments of copra from Indonesia.

Italian Hemp Fiber Production Down

Italian production of true hemp fiber is forecast at 26.5 million pounds in 1963, 15 percent less than the 31.1 million in 1962 and 46 percent below the 1956-60 average of 49 million. The lowest production of recent years was 25.3 million pounds in 1960. Italian production has been trending downward since 1958, when Italy lost its rank as third largest producer. At that time Hungary and Rumania moved into third and fourth places and the USSR and Yugoslavia continued in first and second.

World consumption of hemp fiber in 1963-64 is expected to total about 35.3 million pounds, or slightly more than the average for the past 3 years of 34.5 million. The United States imported 311,000 pounds of hemp in 1962, but most of it came from Yugoslavia. Carryover stocks in Italy were less than 1 million pounds for several years but rose to 6.6 million on August 31, 1963. This quantity is expected to be reduced by as much as two-thirds by the end of August 1964.

Brazil's Peppermint Crop Smaller

Peppermint oil production in Paraná State, Brazil, in 1963-64 is expected to be down from the previous season, as a result of prolonged dry weather. However, the mint fields have escaped damage from the fires and frost reported in that region.

The drought is expected to cause some reduction in mint cuttings between October 1963 and April 1964 and may affect the July-August 1964 cuttings. The 1962 crop amounted to about 2,000 metric tons, making Brazil the world's leading producer of peppermint mentholized oils.

Pakistan Increases Its Sugar Output

In an attempt to increase its sugar production, West Pakistan has upped the area planted to sugarcane from about 1,380,000 acres in 1961 to 1,650,000 in 1962. This has resulted in increased sugar output, practically all in centrifugal sugar of which 168,000 short tons were produced in 1962-63.

Sugar consumption in Pakistan is rising faster than production, however, and as a result, that country is increasing its imports. During calendar 1962, they amounted to 169,000 tons.

Several new sugar mills are proposed, but it is not certain how many will get into production for 1963-64. Sugar beets are used in one factory in Mardan, West Pakistan; but this is only a small portion of total output.

U.K. Sets Import Quota for Argentine Meat

The Argentine Minister of Economy recently announced that agreement had been reached with the United Kingdom on its 1963 import quota for Argentine beef. The Minister stated that the previous quota of 180,000 tons, which will be filled by the end of October, has been modified to allow shipments of an additional 20,000 tons before the end of December.

The Minister also said that shipments of 80,000 tons of chilled beef will be made to the United Kingdom in the first 4 months of 1964.

Irish Meat Packers Win Contract in Belgium

Irish meat packers have won a large contract to supply meat to a Belgian retail chain with 350 branches. This is a major step into the Belgian market for the Irish meat industry, which already has similar outlets with other European chains, including some in Britain.

The managing director of one large Irish meat packing firm reported that his company has two full-time salesmen in Europe surveying new market outlets.

More Argentine Meat for Non-Traditional Markets

As a result of ample supplies and high world prices, Argentina has recently made shipments of meat and cattle to several non-traditional markets.

One of Argentina's new markets for cattle is Italy which, according to some experts, may eventually take

50,000 head per year. Brazil started importing large amounts of Argentine beef in early October, and Israel is expected to take twice the amount it imported last year. Shipments also went to Spain and France, and negotiations are now underway for exports of beef to Hong Kong and beef and mutton to Red China.

Argentine Meat Plant To Stay Open

The Argentine Minister of Labor recently issued a resolution ordering the La Blanca meat packing plant to reverse its decision to close. The plant had been scheduled to close on November 1. (See *Foreign Agriculture,* Sept. 30, 1963.) The Minister also ordered the management of the plant and representatives of its 1,300 workers to begin conciliation talks.

Australia-U.S. Freight Rates Rise

On November 1, higher shipping rates will be charged for all general and refrigerated cargo between Australia, New Zealand, and ports on the North American Atlantic Coast. This increase in freight rates is attributed to rising operating and handling costs.

Rates for frozen beef will be increased from about $3.75 per 100 pounds to $4.15. An Australian Meat Board official has estimated that the new rates will cost the Australian meat export market at least $2 million per year. In the light of this increase, the Meat Board, which has the power to control arrangements for shipment of meat overseas, is going to examine all contracts.

New Zealand-Continent Wool Freight Rises

To reduce the number of ships competing for the New Zealand wool trade and to ease New Zealand's port facilities, a New Zealand-European shipping association has recently been formed. It is made up of Dutch, British, French, and Scandinavian lines.

The new association planned to eliminate unfilled ship space at the start of the new export season October 1. The basic rate on wool freight remains unchanged. However, special rebates will be reduced 7 percent, and this will have the effect of a 9-percent increase in wool freight for the coming wool season, or just under 0.2 cent per pound.

Japan Importing Beef and Pork

The Japanese Ministry of Agriculture and Forestry recently issued import licenses for the purchase of 3.3 million pounds of pork and 11 million of beef. These imports are needed to curb rising prices and relieve shortages of domestic red meat. The pork imports will come from the United States.

Imports of 4.4 million pounds of pork from the United States beginning in June failed to dampen the rising domestic pork prices, and further imports from South Korea and the Republic of China will be too small to affect prices materially. It is expected that Japan will import 6.6 million more pounds of pork before January 1, 1964.

The beef will be imported on a global basis; however, New Zealand and Australia are expected to supply most of it. Import licenses will be issued individually to each of the 16 members of the Japanese meat importers council, but actual imports will be on a joint basis between these importers. The Ministry of Agriculture has requested that imports be held to 2.2 million pounds per month.

Beef and pork prices have been rising rapidly since spring, in line with the increasing demand for red meat. Although beef imports may stabilize prices at the present level, it is doubtful that this small volume will result in any substantial price reduction. Thus, Japan will probably import even more beef and pork in 1964.

U.K. Cheese Imports

The U.K.'s imports of cheese during the first 6 months of 1963, at 162 million pounds, were much the same as last year. New Zealand continued to be by far the largest supplier, shipping 96 million pounds — 2 million pounds less than in 1962. Supplies from Australia, at 19 million pounds, and Canada, 7 million, were also somewhat smaller. The major European sources—the Netherlands and Denmark—shipped more cheese to the United Kingdom in this period than a year ago, while Italy and Switzerland shipped less.

Brazil Sets Minimum Cotton Support Prices

Brazil recently established minimum support prices for the 1963-64 South Brazilian cotton crop, now being planted. The new price to be guaranteed for financing or acquisition of Type 5, the base quality, is 4,820 cruzeiros per 15-kilogram arroba of lint cotton (equivalent to about 11.94 U.S. cents a pound). In terms of Brazilian currency, this season's support price is well above the 1962-63 guarantee of 3,194 cruzeiros per arroba (about 15.33 U.S. cents a pound) set in October of 1962. However, weakness of the cruzeiro resulted in a decline of the support price, in terms of U.S. currency in 1962-63 to about 12.00 U.S. cents a pound by the end of the season.

This season's crop is now expected to top the 1962-63 production of 2,300,000 bales (500 pounds gross). The export quota for the 1962-63 South Brazil crop is 735,000 bales, but so far only 643,000 have been exported. Brazil's Type 5 at Santos has recently been from 2 to 3 U.S. cents per pound above the world market price of 24.6 cents for Type 5.

U.S. Cotton Linters Exports Up in August

U.S. exports of cotton linters, mostly chemical qualities, totaled 27,000 running bales in August—the first month of the 1963-64 season. This was 70 percent above the 9,000 bales shipped in August 1962.

Quantities shipped to major destinations during August, with comparable 1962 figures in parentheses, were: West Germany 21,000 bales (7,000); Japan 4,000 (0); Canada 1,000 (1,000); and France 1,000 (0).

Exports in August amounted to 27,000 bales, compared with 34,000 in July, and 9,000 in August 1962.

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Hurricane Wreaks Havoc in Caribbean

(Continued from page 7)

Effect on area's trade

In many Caribbean countries, the products chiefly affected by the storms—bananas, cocoa, coconuts, coffee, lime juice, and to a lesser extent sugar—are important earners of foreign exchange. Customers buying large quantities from Jamaica, Trinidad and Tobago, Barbados, the Leeward and Windward Islands, and Martinique and Guadeloupe will probably experience a sharp drop. However, these products accounted for only $8.5 million of the total $29 million worth of agricultural products the United States took from these countries in 1962, and little effect on this total is expected.

From Haiti and the Dominican Republic, the United States has been a major buyer of sugar, coffee, cocoa, sisal, and molasses, taking about $154.8 million worth from the two countries together in 1962. Only the shipments from Haiti will be affected by hurricane damage, with sharp reductions in prospect.

The normal food situation in countries of the hurricane area varies widely; some are substantial importers, others nearly self-sufficient. Most U.S. agricultural exports to the area are food products—about $28.8 million worth in 1962, including flour, meat and meat products, grains, and fruits and vegetables. Of this, about $1.3 million was under Food for Peace programs. Needs for food products are expected to increase during 1963 and 1964 in the hurricane's aftermath.

In 1962, the United States shipped Haiti and the Dominican Republic about $18.4 million worth of farm products, mainly wheat, rice, lard, and soybean oil. Of this, Food for Peace shipments accounted for $2.7 million. Hurricane damage may mean that Haiti will require substantially more food for the next 1½ years.

Cuba accounted for about 7.5 percent of the world's sugar production in the crop year 1962-63. In world sugar trade, it exported about 28 percent of the total in 1962 with a decreasing share in 1963. Hurricane damage reports indicate a continued decline in Cuba's share of world sugar production and trade in the coming year.

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11 U.S. Tobacco Exports Larger in August
12 Argentina's Cigarette Output Up Slightly